

# **FELICIANA DAY CARE HOME AGENCY**

## **FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 17 2012**

**FELICIANA DAY CARE HOME AGENCY  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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**A PROFESSIONAL ACCOUNTING CORPORATION**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
Feliciana Day Care Home Agency  
P. O. Box 719  
Clinton, Louisiana 70722

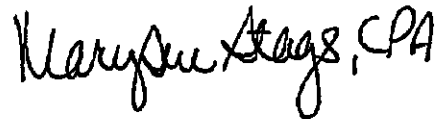
We have reviewed the accompanying statement of financial position of the Family Day Care Home Program of Feliciana Day Care Home Agency as of September 31, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Feliciana Day Care Home Agency's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards of Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying schedule of functional expenses and other information as listed in the table of contents under supplemental information are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive style with a large, stylized "M" and "S".

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
May 5, 2012

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## **FINANCIAL STATEMENTS**

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**FELICIANA DAY CARE HOME AGENCY  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2011**

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**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 5,528.69
Due from Department of Education	<u>38,438.07</u>

Total Current Assets/Total Assets	<u><u>43,966.76</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable - trade	3,925.26
Payroll related payables	6,238.95
Due to providers	<u>30,403.87</u>

Total Current Liabilities/Total Liabilities	40,568.08
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Net Assets	<u>3,398.68</u>
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Total Liabilities and Net Assets	<u><u>43,966.76</u></u>
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See Accompanying Notes and Independent Accountants' Review Report

**FELICIANA DAY CARE HOME AGENCY  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2011**

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**UNRESTRICTED NET ASSETS**

**SUPPORT AND OTHER GAINS**

Administrative reimbursement	\$ 94,395.00
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**NET ASSETS RELEASED FROM RESTRICTIONS**

Restrictions satisfied by payments	<u>402,969.53</u>
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Total Support, Other Gains and Reclassifications	497,364.53
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**EXPENSES**

Program services	402,969.52
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Supporting services	<u>90,184.22</u>
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Total Expenses	<u>493,153.74</u>
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Increase In Unrestricted Net Assets	4,210.79
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**TEMPORARILY RESTRICTED NET ASSETS**

Support from meal reimbursements	402,969.53
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**Net assets released from restrictions:**

Restrictions satisfied by payments	<u>(402,969.53)</u>
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Increase In Temporarily Restricted Net Assets	<u>-</u>
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INCREASE IN NET ASSETS	4,210.79
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NET ASSETS, BEGINNING	<u>(812.11)</u>
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NET ASSETS, ENDING	<u><u>3,398.68</u></u>
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See Accompanying Notes and Independent Accountants' Review Report

**FELICIANA DAY CARE HOME AGENCY  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2011**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from administrative reimbursements	\$ 94,236.40
Cash received from program reimbursements - meals	412,821.51
Cash paid for program expenses	(402,384.77)
Cash paid to or on behalf of employees for services	(72,191.73)
Cash paid to suppliers for goods and services	(10,662.07)
Net Cash Provided by Operating Activities	<u>21,819.34</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

-

**CASH FLOWS FROM FINANCING ACTIVITIES**

-

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

21,819.34

**CASH AND CASH EQUIVALENTS, BEGINNING**

(16,290.65)

**CASH AND CASH EQUIVALENTS, ENDING**

5,528.69

**RECONCILIATION OF CHANGE IN NET ASSETS TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Change in net assets	\$ 4,210.79
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**Adjustments to Reconcile Change in Net Assets  
to Net Cash Provided by Operating Activities:**

**(Increase) decrease in assets:**

Due to/from Department of Education	8,639.09
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**Increase (decrease) in liabilities:**

Accounts payable - trade	(10,733.84)
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Payroll related payables	18,064.26
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Due to providers	<u>1,639.04</u>
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**NET CASH PROVIDED BY OPERATING ACTIVITIES**

21,819.34

See Accompanying Notes and Independent Accountants' Review Report



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## **NOTES TO FINANCIAL STATEMENTS**

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**FELICIANA DAY CARE HOME AGENCY  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Family Day Care Home Program of Feliciana Day Care Home Agency. (hereafter referred to as the Organization) is a private agency located in East Feliciana Parish, Louisiana and chartered under the laws of the State of Louisiana as a non-profit corporation. Its purpose is to provide social services and other benefits to primarily low income, disabled, elderly or other disadvantaged residents of East Feliciana and nearby parishes and to mobilize resources for the conduct of these efforts. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending September 30<sup>th</sup>, and its significant accounting policies are as follows:

**Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Receivables**

Accounts receivable are stated at net realizable value. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

**Inventory**

Inventory includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$500 or greater is generally capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

**Support and Expenses**

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A

**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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donor restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the stipulated restriction ends by payments to the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support. Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred. There were no advertising costs in the current year.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Statement Presentation**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117 *"Financial Statement of Not-For-Profit Organization."* Under SFAS No. 117, the Organization is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on change in net assets in the year this standard was adopted (1998).

**Income Taxes**

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Demand deposits	\$ <u>5,528.69</u>
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**NOTE 3 – RECEIVABLES**

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2011. Receivables at year-end consist of the following:

Department of Education	\$ <u>38,438.07</u>
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The balance due from the Department of Education represents the September 2011 reimbursement claim received in the subsequent month.

**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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**NOTE 4 – ACCOUNTS AND OTHER PAYABLES**

Payables at year-end include the following:

Trade	\$ 3,925.26
Payroll and related	6,238.95
Providers	<u>30,403.87</u>
Total	<u>40,568.08</u>

**NOTE 5 – RESTRICTIONS ON NET ASSETS**

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement to the providers of meals through the Family Day Care Home Program of the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year end has been accrued in the accompanying financial statements and is listed in the note above.

**NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:

Meals provided	\$ <u>402,969.53</u>
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**NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services.

**NOTE 8 – CONCENTRATIONS**

*Receivables and Revenues.* All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. All of the Organization's support is paid by the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226.

*Geographical Market.* The Organization is approved to operate in the parish of East Feliciana and neighboring parishes. Volume is dependent on the willing and eligible providers in these areas.

**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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**NOTE 9 – LITIGATION**

We are not aware of any pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in this financial report.

**NOTE 10 – SUBSEQUENT EVENTS**

There were no subsequent events between the close of the fiscal year and the date of this report that would materially impact the accompanying financial statements.

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## **SUPPLEMENTARY INFORMATION**

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**FELICIANA DAY CARE HOME AGENCY  
SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2011**

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<u>Account Name</u>	<u>Program</u>	<u>Supporting</u>
Accounting fees	\$ -	\$ 4,385.00
Insurance	-	985.34
Office supplies	-	3,677.79
Postage	-	120.00
Rent - equipment	-	1,320.00
Provider payments	402,969.52	-
Repairs and maintenance	-	272.00
Salaries	-	66,567.96
Taxes - payroll	-	5,623.77
Telephone	-	2,379.52
Travel - use of auto	-	4,852.84
		<hr/>
Total Functional Expenses	402,969.52	90,184.22
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See Independent Accountants' Review Report



# **A PROFESSIONAL ACCOUNTING CORPORATION**

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American Institute of Certified Public Accountants  
Association of Governmental Accountants  
Governmental Audit Quality Control Center*

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Feliciana Day Care Home Agency  
P. O. Box 719  
Clinton, Louisiana 70722

We have performed certain agreed-upon procedures enumerated below, which were agreed to by the management of Feliciana Day Care Home Agency and the Legislative Auditor, State of Louisiana. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Federal, State and Local Awards**

1. Determine the amount of federal, state and local award expenditures for the fiscal year by grant and grant year.

The amount of federal, state and local award expenditures was identified.

2. For each award:

- a. Randomly select 6 disbursements from each award administered during the year.

Six disbursements were selected.

- b. Traced the 6 disbursements to supporting documentation as to proper amount and payee.

No exceptions were noted.

c. Determine if the 6 disbursements were properly coded to the correct fund and general ledger account.

No exceptions were noted.

d. Determine whether the 6 disbursement received approval from proper authorities.

No exceptions were noted.

e. Determine whether the 6 disbursements comply with the applicable specific program compliance requirements.

No exceptions were noted.

### **Meetings**

3. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is not required to hold public meetings.

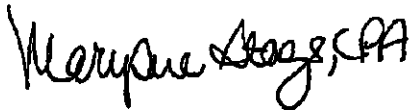
### **Budget**

4. For all grants exceeding \$5,000, determine that each applicable federal, state or local grantor agency(ies) was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

No exceptions were noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management, the Legislative Auditor, State of Louisiana, and any cognizant agency(ies) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
May 5, 2012

**FELICIANA DAY CARE HOME AGENCY  
SCHEUDLE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2011**

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We have reviewed the financial statements of Feliciana Day Care Home Agency as of and for the year ended December 31, 2011, and have issued our report thereon dated May 5, 2012. We conducted our review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

**Section I      Financial Statement Findings**

2011-01      Compliance with Audit Law

*Criteria.* Louisiana Revised Statute 24:513 requires that an audited financial statement be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to March 31<sup>st</sup> for the agency.

*Condition.* This deadline was not met.

*Impact.* The agency is not in compliance with applicable laws.

*Recommendation.* We recommend that the books and records be provided no later than January 1<sup>st</sup> for completion to the Legislative Auditor by March 31<sup>st</sup>.

*Management's Response.* We will comply with this recommendation.

**Section II      Federal Award Findings and Questioned Costs**

N/A

**Section III      Management Letter**

N/A

**FELICIANA DAY CARE HOME AGENCY  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2011**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Financial Statement Findings**

2011-01      Compliance with Audit Law

*Please refer to Management's Response in the schedule of findings and questioned costs.*

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**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

Mary Sue Stages, CPA, APAC  
P. O. Box 30  
Baker, Louisiana 70704-0030

In connection with your review of our financial statements as of September 30, 2011, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 30, 2011.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations. We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

*Patricia Q. Bradham*

Mayor/Clerk/Director 10-11-12 Date

Signatures as applicable